

**Minutes for the Board of Commissioners
Multnomah County, Oregon
Multnomah Building, Board Room 100
501 SE Hawthorne Blvd. Portland, OR 97214
Monday, May 8, 2012**

Budget Work Session #1

Chair Jeff Cogen called the meeting to order at 9:07 a.m. with Vice-Chair Loretta Smith and Commissioners Deborah Kafoury, Judy Shiprack and Diane McKeel present.

Also in attendance were Jenny M. Morf, County Attorney and Marina Baker, Assistant Board Clerk.

BWS-1.a. Kick Off & Financial Overview. Presenters: Karyne Kieta, Budget Director & Mike Jaspin, Economist.

Ms. Kieta reviewed the FY 2013 budget schedule and process. The FY 2013 budget is \$1,510,239,793, which is an increase of \$22.5M from FY 2012. Overall full-time employees (FTEs) have decreased by 70.00 since FY 2012. The County General Fund (GF) is \$450,029,379 and comprised of funding that comes largely from taxes, but also from beginning working capital, service charges, licenses and permits, intergovernmental revenues, interest, and other sources. This money funds the District Attorney, Sheriff, Community Justice, Health Department, Human Services, Community Services, County Assets, County Management, Nondepartmental, and the Library.

Ms. Kieta explained that the budget's function is to preserve critical direct services to clients; address the expenditure/revenue gap for FY 2013; invest in safety net services and maintain public safety service levels; make strategic use of one-time-only (OTO) funds; reduce and control administrative costs; and fully fund reserves and maintain business income tax (BIT) stabilization reserves.

Ms. Kieta stated that during the March forecast, the GF had a \$3.5M gap. In response, the County constrained the GF departments by 1.5% (\$4.7M), which was more than needed to close the gap. She gave an honorable mention to Local 88 for taking a COLA freeze, without which the gap would have been \$2.8M higher. Some of the ways the County closed the gap included: adjusting the span of control changes; lower than projected internal service cost increases to departments; redesign and configuration of programs; shifting costs to non-GF sources where possible; and strategic use of OTO funds.

Ms. Kieta explained that the GF reserves are fully funded and in compliance with County financial policies at \$32.1M or 10% of County corporate revenues. The BIT stabilization reserve is funded at \$4.2M or 8% of corporate revenues. The GF contingency is at \$5.6M and includes the regular contingency at \$1.25M, the BIT stabilization reserve at \$4.2M, and the Multnomah County Sheriff's Office at \$239k. She cautioned the Board that current revenues won't support backfilling ongoing State/Federal programs and noted concerns of State/Federal cuts. She said there's still a structural deficit in FY 2014 and beyond; uncertainty surrounding the State's implementation of policies; future PERS rate increases; decisions surrounding library funding; and impacts of the implementation of Federal policies.

Mr. Jaspin noted that the County largely spends its resources on personnel services, contracts, materials and services, internal services, capital, and debt services. The number of County FTEs has been relatively flat since FY 2005, but the cost of those FTE has increased, which is partially due to inflation. He spoke about PERS rates charged to departments; the number of FTEs by PERS Tier, with the highest percentage of personnel in Tier 3; health care costs and inflation; what areas the County spends GF on; and how fast the County GF grows to supports services for existing and new populations and personnel costs.

Ms. Kieta and Mr. Jaspin responded to Board questions and comments. The Board thanked them for the overview.

BWS-1.b. Central CBAC. Presenters: Kathleen Todd & Robb Wolfson, Office of Citizen Involvement & Jim Lasher, Chair, Central Citizen Budget Advisory Committee (CCBAC).

Ms. Todd provided the opening remarks. Mr. Lasher spoke on behalf of CCBAC and related their recommendations and advice.

Ms. Todd explained that over the last two years, the Citizen Involvement Committee (CIC) has recognized the importance of expanding opportunities to increase public input by developing an online survey. The survey has allowed them to significantly expand public input about budget matters, with more than 1,100 completed in 2011 and 2012. This year, 540 surveys were received. These surveys were open for two months, were well publicized using both electronic and print media, and 39 surveys were submitted in Spanish.

The surveys consisted of two questions, one quantitative and one qualitative. In the quantitative questions, out of 18 County service categories, respondents were asked to rank the 6 that were most important to them in order. In the qualitative, respondents were asked to describe which features they valued the most about the service categories they selected.

Mr. Wolfson discussed the respondents' breadth of support and explained that 10 of the 18 categories were distinctly ranked more often than the rest (7 were related to Human Services: Mental Health Services, Community Health Services, Aging and Senior Services, Health Clinics, Homeless Services, and SUN Schools and Early Childhood Services. The others were the Libraries, Roads and Bridges, and Juvenile and Gang Services). In comparison to last year, the number of times the Libraries were ranked by respondents rose significantly.

Next, he discussed their depth of support, which highlights the total value respondents assigned to each service category. This is achieved by assigning points to the categories based on where respondents rated the categories within their top 6 rankings. A service that a respondent ranked at 6 was awarded six points and a service ranked at 1 was awarded one point. The same 10 categories are in the top but their ordering changed with Roads and Bridges and SUN Schools and Early Childhood Services holding more value on this chart. In comparison to last year, the libraries again rose most significantly.

Lastly, Mr. Wolfson discussed the respondents' strength of support, which highlights the average value that respondents assigned particular service categories when they ranked them within their top 6. This perspective is useful for understanding how fervent proponents of particular service categories were in their support. The ordering here shows that strength

of support for a program is not necessarily related to the breadth or depth of that support. Two services, the Sheriff's Office and County Jails, did not fall within the top 10 categories in the earlier categories but still demonstrated some of the strongest feelings of support among their proponents. The libraries had the most ardent proponents. Compared to last year, respondents ranked Roads & Bridges and Domestic Violence at much higher levels this year. Interestingly, on a scale of points from six to one, this year's survey respondents ranked all the services within one point of each other, unlike last year where a significant outlier appeared. This is positive as it suggests that the overall amount of stakeholders of specific County services decreased this year.

Ms. Todd explained that the quantitative question was useful to gain insight into the qualities that Multnomah County residents feel are the most valuable with regard to County services and programs. Over 1415 comments were submitted. The comments were analyzed and categorized based on similarity. They varied greatly and fell into more than 90 different categories. The top 10 categories accounted for more than 60% of the total comments. 21 comments remarked on how difficult the survey was to make only six choices, which suggests this exercise led them to realize how difficult the Board's job is. Comments classified in the top 2 categories accounted for more than 16% of the total comments. These includes: support of literacy; good access to media and information for all citizens; and health care access. Comments classified in the next 3 categories accounted for nearly 20% of the total comments. These included: psychiatric care and attention for those with mental health problems; the County infrastructure needs to be maintained and upgraded; and youth's need to receive early education; social service assistance; and afterschool activities. Comments classified in the next 5 categories accounted for over 24% of the total comments. These included: The need to support our community's most vulnerable, at-risk, and aging populations; promoting community health and safety net programs; protecting law-abiding citizens by enforcing laws and supporting public safety; the need to address causes of homelessness and ensure that everyone in the community has housing.

Overall, nine of these ten categories were also listed in last year's report. However, concerns about issues related to County literacy/access to information and public infrastructure grew significantly as compared to last year. Similar to last year, the public's overall comments reflect a sophisticated understanding of social justice and of the efficacy of using preventive measures and early intervention in all areas of County services.

Ms. Todd and Mr. Wolfson responded to Board questions and comments. Ms. Todd stated that the Board will receive the final report by the end of the day and it will be available online.

The Board thanked them for their presentation.

BWS-1.c. Public Safety – DA (w/CBAC). Presenters: Bob Pung, CBAC; Mike Schrunk, District Attorney (DA).

Mr. Pung spoke on behalf of CBAC and shared their recommendations with the Board.

Mr. Schrunk spoke about the DA Offices' vision, mission, values and guiding principles. He listed their partners and reviewed their organizational chart. The DA's overall budget is \$25,472,005 with 191.20 FTE. The staff span of control is 1 supervisor to 15 employees. Mr.

Schrunk discussed the DA budget by department divisions, spending categories, and funding sources. He reviewed programs cuts and keeps.

He explained that the State impacts include a small reduction in revenue for the Child Support Enforcement Program and the Juvenile Dependency contract, but these changes shouldn't impact the DA's efforts in those areas next fiscal year. Federal fiscal issues continue to limit new grant opportunities for law enforcement and prosecutors and are reducing available funding in long standing grant sources. Mr. Schrunk discussed accomplishments and issues, risks and challenges the DA's Office is facing in FY 2013.

Mr. Schrunk responded to Board questions and comments. The Board thanked him for his presentation.

ADJOURNMENT

There being no further business, the meeting was adjourned at 10:54 a.m.

The minutes reflect the actions of the Board. For more detail, you are welcome to view the presentation material and/or video at:

http://multnomah.granicus.com/ViewPublisher.php?view_id=3

Submitted by:

Lynda J. Grow, Board Clerk and
Marina Baker, Assistant Board Clerk
Board of County Commissioners
Multnomah County